

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR SERVICES FURNISHED TO OTHER COUNTY DEPARTMENTS AND ARE FINANCED PRIMARILY BY THESE SERVICE CHARGES. BECAUSE THEY ARE EXEMPT FROM BUDGETARY CONTROL, THEY ARE FREE TO EMPLOY COMMERCIAL ACCOUNTING TECHNIQUES, AND ARE OFTEN USED IN SITUATIONS WHERE A MORE ACCURATE DETERMINATION OF OPERATING RESULTS IS DESIRED.

ROAD AND COMMUNICATION EQUIPMENT FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF PUBLIC WORKS AND COMMUNICATIONS EQUIPMENT PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

PURCHASING FUND

THIS FUND ACCOUNTS FOR THE FINANCING OF MATERIALS AND SUPPLIES PROVIDED TO COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

SPECIAL DISTRICT LOANS FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FINANCING FOR START UP SERVICES FOR NEW SPECIAL DISTRICTS AND COUNTY SERVICE AREAS ON A COST REIMBURSEMENT BASIS.

RISK FINANCING FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR ALL OF THE COUNTY'S UNINSURED RISK MANAGEMENT ACTIVITIES.

FLEET SERVICES FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' FLEET VEHICLES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

MAIL, PRINT & RECORDS FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GENERAL SERVICES' MAIL, PRINTING AND RECORD STORAGE SERVICES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

FACILITIES MANAGEMENT FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF PUBLIC SERVICE UTILITIES, PROPERTY MANAGEMENT, AND ARCHITECTURAL AND ENGINEERING SERVICES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

INFORMATION TECHNOLOGY FUND

THIS FUND WAS ESTABLISHED TO ACCOUNT FOR THE FINANCING OF SOFTWARE APPLICATIONS FOR HUMAN RESOURCES, PAYROLL, AND FINANCIAL SYSTEMS AS WELL AS TELECOMMUNICATION SERVICES PROVIDED TO OTHER COUNTY DEPARTMENTS ON A COST REIMBURSEMENT BASIS.

OTHER MISCELLANEOUS FUND

THIS FUND WAS ESTABLISHED TO PROVIDE FOR THE FINANCING OF CLOTHING AND PERSONAL SUNDRY ITEMS FOR PERSONS INSTITUTIONALIZED AT VARIOUS COUNTY FACILITIES.

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

**With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
ASSETS			
Equity in Pooled Cash and Investments	\$ 17,092	1,621	770
Collections in Transit			
Imprest Cash		200	
Accounts Receivable		1	
Due from Other Funds	516	1,196	
Advances to Other Funds			134
Inventory of Equipment, Materials and Supplies, at cost	506	990	
Work In Process			
Equipment, Net of Allowance for Depreciation of \$37,990 in 2000 (\$16,121 in 1999)	14,289	16	
Total Assets	\$ 32,403	4,024	904
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 63	1,526	
Due to Other Funds	841	581	
Long-Term Debt Payable		244	
Deferred Revenue			
Total Liabilities	904	2,351	
Fund Equity:			
Contributed Capital	9,541	1,189	904
Retained Earnings:			
Unreserved	21,958	484	
Total Fund Equity	31,499	1,673	904
Total Liabilities and Fund Equity	\$ 32,403	4,024	904

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

**With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7 (Cont)

	RISK FINANCING	FLEET SERVICES	MAIL, PRINT & RECORDS
ASSETS			
Equity in Pooled Cash and Investments	\$ 49,191	16,194	1,632
Collections in Transit		1	
Imprest Cash			1
Accounts Receivable	22	10	26
Due from Other Funds	1,420	835	262
Advances to Other Funds			
Inventory of Equipment, Materials and Supplies, at cost		591	120
Work In Process			
Equipment, Net of Allowance for Depreciation of \$37,990 in 2000 (\$16,121 in 1999)		31,684	669
Total Assets	\$ 50,633	49,315	2,710
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 209	760	244
Due to Other Funds	2,220	1,027	355
Long-Term Debt Payable	59,523	10,330	397
Deferred Revenue			3
Total Liabilities	61,952	12,117	999
Fund Equity:			
Contributed Capital		34,599	583
Retained Earnings:			
Unreserved	(11,319)	2,599	1,128
Total Fund Equity	(11,319)	37,198	1,711
Total Liabilities and Fund Equity	\$ 50,633	49,315	2,710

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

**With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7 (Cont)

	FACILITIES MANAGEMENT	INFORMATION TECHNOLOGY	OTHER MISCELLANEOUS
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,238	17,566	1,087
Collections in Transit			51
Imprest Cash			
Accounts Receivable	550	31	
Due from Other Funds	2,787	6,724	19
Advances to Other Funds			
Inventory of Equipment, Materials and Supplies, at cost	189		126
Work In Process		10,453	
Equipment, Net of Allowance for Depreciation of \$37,990 in 2000 (\$16,121 in 1999)	160		93
Total Assets	\$ 4,924	34,774	1,376
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 1,812	8,912	68
Due to Other Funds	1,830	12,610	99
Long-Term Debt Payable	1,074		
Deferred Revenue		1,500	
Total Liabilities	4,716	23,022	167
Fund Equity:			
Contributed Capital	186	10,453	4
Retained Earnings:			
Unreserved	22	1,299	1,205
Total Fund Equity	208	11,752	1,209
Total Liabilities and Fund Equity	\$ 4,924	34,774	1,376

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

June 30, 2000

**With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7 (Cont)

	TOTALS	
	2000	1999
ASSETS		
Equity in Pooled Cash and Investments	\$ 106,391	67,506
Collections in Transit	52	42
Imprest Cash	201	200
Accounts Receivable	640	155
Due from Other Funds	13,759	9,379
Advances to Other Funds	134	316
Inventory of Equipment, Materials and Supplies, at cost	2,522	2,396
Work In Process	10,453	
Equipment, Net of Allowance for Depreciation of \$37,990 in 2000 (\$16,121 in 1999)	46,911	39,882
Total Assets	\$ 181,063	119,876
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	\$ 13,594	6,262
Due to Other Funds	19,563	1,659
Long-Term Debt Payable	71,568	76,606
Deferred Revenue	1,503	
Total Liabilities	106,228	84,527
Fund Equity:		
Contributed Capital	57,459	35,808
Retained Earnings:		
Unreserved	17,376	(459)
Total Fund Equity	74,835	35,349
Total Liabilities and Fund Equity	\$ 181,063 (Statement 1A)	119,876

See Accompanying Independent Auditor's Report

FINANCIAL REPORT OF SAN DIEGO COUNTY

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2000

With Comparative Figures for June 30, 1999

(In Thousands)

STATEMENT 7A

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	RISK FINANCING	FLEET SERVICES
Operating Revenues:				
Charges for Services	\$ 5,975	39,885	35,947	19,090
Operating Expenses:				
Salaries		2,476		3,904
Cost of materials	594	35,398		2,288
Claims and Judgments			22,398	
Repairs and maintenance	2,250	158		1,454
Fuel	482	11		3,439
Equipment Rental		381		41
Contracted Services	19	1,110		1,042
Depreciation	1,471	2		5,500
Utilities				74
Other	1,496	123		456
Total Operating Expenses	6,312	39,659	22,398	18,198
Operating Income (Loss)	(337)	226	13,549	892
Nonoperating Revenues:				
Interest	250	65	1,119	903
Gain on Disposal of Equipment				58
Other				
Total Nonoperating Revenues	250	65	1,119	961
Nonoperating Expenses:				
Loss on Disposal of Equipment	377			
Interest on Long Term Debt				547
Total Nonoperating Expenses	377			547
Nonoperating Income (Loss)	(127)	65	1,119	414
Income (Loss) Before Operating Transfers	(464)	291	14,668	1,306
Operating Transfers In		80		306
Operating Transfers (Out)		(119)	(193)	(203)
Net Income (Loss)	(464)	252	14,475	1,409
Retained Earnings:				
Beginning Balance	22,422	232	(25,794)	1,190
Ending Balance (Statement 7)	\$ 21,958	484	(11,319)	2,599

FINANCIAL REPORT OF SAN DIEGO COUNTY

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2000

With Comparative Figures for June 30, 1999

(In Thousands)

STATEMENT 7A (Cont)

	MAIL, PRINT & RECORDS	FACILITIES MANAGEMENT	INFORMATION TECHNOLOGY	OTHER MISCELLANEOUS
Operating Revenues:				
Charges for Services	\$ 9,100	49,342	40,083	2,745
Operating Expenses:				
Salaries	1,728	13,665		
Cost of materials	5,444			1,395
Claims and Judgments				
Repairs and maintenance	398	9,312		2
Fuel	26	104		
Equipment Rental	2	565		
Contracted Services	344	1,222	48,764	
Depreciation	112	26		6
Utilities	40	14,837		
Other	376	9,089		106
Total Operating Expenses	8,470	48,820	48,764	1,509
Operating Income (Loss)	630	522	(8,681)	1,236
Nonoperating Revenues:				
Interest	92	177	(55)	3
Gain on Disposal of Equipment				
Other				
Total Nonoperating Revenues	92	177	(55)	3
Nonoperating Expenses:				
Loss on Disposal of Equipment	25			9
Interest on Long Term Debt	14			
Total Nonoperating Expenses	39			9
Nonoperating Income (Loss)	53	177	(55)	(6)
Income (Loss) Before Operating Transfers	683	699	(8,736)	1,230
Operating Transfers In	106		10,035	
Operating Transfers (Out)	(81)	(677)		(1,096)
Net Income (Loss)	708	22	1,299	134
Retained Earnings:				
Beginning Balance	420			1,071
Ending Balance (Statement 7)	\$ 1,128	22	1,299	1,205

FINANCIAL REPORT OF SAN DIEGO COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 2000
With Comparative Figures for June 30, 1999
(In Thousands)

STATEMENT 7A (Cont)

	<u>TOTALS</u>	
	2000	1999
Operating Revenues:		
Charges for Services	\$ 202,167	105,472
Operating Expenses:		
Salaries	21,773	
Cost of materials	45,119	59,141
Claims and Judgments	22,398	1,958
Repairs and maintenance	13,574	3,700
Fuel	4,062	2,817
Equipment Rental	989	
Contracted Services	52,501	170
Depreciation	7,117	4,520
Utilities	14,951	
Other	11,646	1,752
Total Operating Expenses	194,130	74,058
Operating Income (Loss)	8,037	31,414
Nonoperating Revenues:		
Interest	2,554	2,132
Gain on Disposal of Equipment	58	
Other		4
Total Nonoperating Revenues	2,612	2,136
Nonoperating Expenses:		
Loss on Disposal of Equipment	411	139
Interest on Long Term Debt	561	388
Total Nonoperating Expenses	972	527
Nonoperating Income (Loss)	1,640	1,609
Income (Loss) Before Operating Transfers	9,677	33,023
Operating Transfers In	10,527	260
Operating Transfers (Out)	(2,369)	(1,250)
Net Income (Loss)	17,835	32,033
Retained Earnings:		
Beginning Balance	(459)	(32,492)
Ending Balance (Statement 7)	\$ 17,376	(459)

See Accompanying Independent Auditor's Report

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2000
With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7B

	ROAD AND COMMUNICATION EQUIPMENT	PURCHASING	SPECIAL DISTRICT LOANS
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (337)	226	
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Provided by Operating Activities:			
Depreciation	1,471	2	
Decrease (Increase) in Accounts Receivable	2	1	
Decrease (Increase) in Due from Other Funds	364	3,673	
Decrease (Increase) in Inventory	11	(90)	
Increase (Decrease) in Accounts Payable	(55)	(3,601)	
Increase (Decrease) in Due to Other Funds	412	577	
Increase (Decrease) in Long-Term Debt Payable		244	
Increase (Decrease) in Deferred Revenue			
Net Cash Provided (Used) by Operating Activities	1,868	1,032	
Cash Flows from Non-Capital Financing Activities:			
Loans from (to) Other Funds			
Transfers from (to) Other Funds		(39)	
Advances Made on Long-Term Loans			183
Net Cash Provided (Used) by Non-Capital Financing Activities		(39)	183
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets	(1,364)		
Proceeds from Sales of Equipment	438		
Principal paid on Long-Term Debt			
Interest Paid on Long Term Debt			
Residual Equity Transfers In			
Net Cash Provided (Used) by Capital and Related Financing Activities	(926)		
Cash Flows from Investing Activities:			
Interest	232	42	1
Net Increase (Decrease) in Cash and Cash Equivalents	1,174	1,035	184
Cash and Cash Equivalents-Beginning of Year	15,918	786	586
Cash and Cash Equivalents-End of Year	\$ 17,092	1,821	770
Noncash Investing, Capital Financing Activities			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$		
Acquisition of Fixed Assets through Capital Lease			
Assumption of Capital Lease from Gen Long-Term Debt			
Accrued Interest	17		
Residual Equity Transfer from General Fund			
Total Noncash Investing, Capital Financing Activities	\$ 17		

See Accompanying Independent Auditor's Report

(Cont)

FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2000
With Comparative Figures for June 30, 1999
(In Thousands)**

		STATEMENT 7B (Cont)		
			MAIL,	
			PRINT &	
			RECORDS	
	RISK	FLEET		
	FINANCING	SERVICES		
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 13,549	892		630
Adjustments to Reconcile Operating Income (Loss)				
To Net Cash Provided by Operating Activities:				
Depreciation		5,500		112
Decrease (Increase) in Accounts Receivable	14	51		28
Decrease (Increase) in Due from Other Funds	(366)	42		(79)
Decrease (Increase) in Inventory		128		(5)
Increase (Decrease) in Accounts Payable	78	305		(53)
Increase (Decrease) in Due to Other Funds	2,037	731		207
Increase (Decrease) in Long-Term Debt Payable	(5,698)	315		21
Increase (Decrease) in Deferred Revenue				3
Net Cash Provided (Used) by Operating Activities	9,614	7,964		864
Cash Flows from Non-Capital Financing Activities:				
Loans from (to) Other Funds				
Transfers from (to) Other Funds	(193)	103		25
Advances Made on Long-Term Loans				
Net Cash Provided (Used) by Non-Capital Financing Activities	(193)	103		25
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Fixed Assets		(5,701)		
Proceeds from Sales of Equipment		236		4
Principal paid on Long-Term Debt		(3,776)		
Interest Paid on Long Term Debt		(512)		(16)
Residual Equity Transfers In		7,137		
Net Cash Provided (Used) by Capital and Related Financing Activities		(2,616)		(12)
Cash Flows from Investing Activities:				
Interest	1,119	757		75
Net Increase (Decrease) in Cash and Cash Equivalents	10,540	6,208		952
Cash and Cash Equivalents-Beginning of Year	38,651	9,987		681
Cash and Cash Equivalents-End of Year	\$ 49,191	16,195		1,633
Noncash Investing, Capital Financing Activities				
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$	5,169		10
Acquisition of Fixed Assets through Capital Lease		2,418		
Assumption of Capital Lease from Gen Long-Term Debt		365		
Accrued Interest		348		31
Residual Equity Transfer from General Fund				
Total Noncash Investing, Capital Financing Activities	\$	8,300		41

See Accompanying Independent Auditor's Report

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FINANCIAL REPORT OF SAN DIEGO COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2000
With Comparative Figures for June 30, 1999
(In Thousands)**

STATEMENT 7B (Cont)

	FACILITIES MANAGEMENT	INFORMATION TECHNOLOGY	OTHER MISCELLANEO
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 522	(8,681)	1,236
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided by Operating Activities:			
Depreciation	26		6
Decrease (Increase) in Accounts Receivable	(550)	(31)	
Decrease (Increase) in Due from Other Funds	(2,741)	(6,724)	1
Decrease (Increase) in Inventory	(189)		19
Increase (Decrease) in Accounts Payable	1,812	8,912	(17)
Increase (Decrease) in Due to Other Funds	1,830	610	(123)
Increase (Decrease) in Long-Term Debt Payable	1,074		
Increase (Decrease) in Deferred Revenue		1,500	
Net Cash Provided (Used) by Operating Activities	1,784	(4,414)	1,122
Cash Flows from Non-Capital Financing Activities:			
Loans from (to) Other Funds		12,000	
Transfers from (to) Other Funds	(677)	10,035	(1,096)
Advances Made on Long-Term Loans			
Net Cash Provided (Used) by Non-Capital Financing Activities	(677)	22,035	(1,096)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets		(10,453)	(30)
Proceeds from Sales of Equipment			
Principal paid on Long-Term Debt			
Interest Paid on Long Term Debt			
Residual Equity Transfers In		10,453	
Net Cash Provided (Used) by Capital and Related Financing Activities			(30)
Cash Flows from Investing Activities:			
Interest	131	(55)	3
Net Increase (Decrease) in Cash and Cash Equivalents	1,238	17,566	(1)
Cash and Cash Equivalents-Beginning of Year			1,139
Cash and Cash Equivalents-End of Year	\$ 1,238	17,566	1,138
Noncash Investing, Capital Financing Activities			
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$ 394		
Acquisition of Fixed Assets through Capital Lease			
Assumption of Capital Lease from Gen Long-Term Debt			
Accrued Interest			
Residual Equity Transfer from General Fund			
Total Noncash Investing, Capital Financing Activities	\$ 394		

See Accompanying Independent Auditor's Report

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INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2000
With Comparative Figures for June 30, 1999
(In Thousands)

	STATEMENT 7B (Cont)	
	TOTALS	
	2000	1999
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 8,037	31,414
Adjustments to Reconcile Operating Income (Loss)		
To Net Cash Provided by Operating Activities:		
Depreciation	7,117	4,520
Decrease (Increase) in Accounts Receivable	(485)	(38)
Decrease (Increase) in Due from Other Funds	(5,830)	(2,185)
Decrease (Increase) in Inventory	(126)	290
Increase (Decrease) in Accounts Payable	7,381	137
Increase (Decrease) in Due to Other Funds	6,281	(3,298)
Increase (Decrease) in Long-Term Debt Payable	(4,044)	(19,133)
Increase (Decrease) in Deferred Revenue	1,503	
Net Cash Provided (Used) by Operating Activities	19,834	11,707
Cash Flows from Non-Capital Financing Activities:		
Loans from (to) Other Funds	12,000	
Transfers from (to) Other Funds	8,158	(893)
Advances Made on Long-Term Loans	183	159
Net Cash Provided (Used) by Non-Capital Financing Activities	20,341	(734)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Fixed Assets	(17,548)	(8,533)
Proceeds from Sales of Equipment	678	548
Principal paid on Long-Term Debt	(3,776)	(2,069)
Interest Paid on Long Term Debt	(528)	(279)
Residual Equity Transfers In	17,590	10,564
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,584)	231
Cash Flows from Investing Activities:		
Interest	2,305	2,197
Net Increase (Decrease) in Cash and Cash Equivalents	38,896	13,401
Cash and Cash Equivalents-Beginning of Year	67,748	54,347
Cash and Cash Equivalents-End of Year	\$ 106,644	67,748
Noncash Investing, Capital Financing Activities		
Transfer Fixed Assets from(to) Gen Fixed Assets/Other Funds	\$ 5,573	750
Acquisition of Fixed Assets through Capital Lease	2,418	8,738
Assumption of Capital Lease from Gen Long-Term Debt	365	
Accrued Interest	396	434
Residual Equity Transfer from General Fund		1,322
Total Noncash Investing, Capital Financing Activities	\$ 8,752	11,244

See Accompanying Independent Auditor's Report